

THE
PRESENT SYSTEM
OF OUR
EAST INDIA
GOVERNMENT
AND
COMMERCE
CONSIDERED:
IN WHICH ARE EXPOSED
THE FALLACY, THE INCOMPATIBILITY,
AND THE INJUSTICE
OF A
POLITICAL AND DESPOTIC POWER
POSSESSING A COMMERCIAL SITUATION ALSO,
WITHIN THE COUNTRIES SUBJECT TO ITS DOMINION.

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P R E F A C E.

THE following Letters, it is scarcely necessary to observe, were written to individuals on the spur of occasion, and not intended for the public eye. The Author, however, has been urged to publish them: and he is the more readily induced to do so, because, however defective in other respects, and incomplete in this respect even, he believes they will be found to contain argument which has not been used by any of the many advocates who, on the present occasion, have espoused the cause of liberal commerce.

The Author is fully aware, when it shall be known generally, as it already is partially, that the Author of these

Letters, which, in their object, contemplate changes so very material in the system to which they have reference, was many years in the service of the East India Company, the foul charge of ingratitude will, by a certain description of persons, be imputed to him.

To this charge, however, by such description of persons, the Author not only willingly consents to submit himself, but declares his total indifference—the liberal and enlightened of those who best know him, the Author feels confident, will acquit him of conduct so base; and the liberal and enlightened of those to whom he is not known, he assures himself, will at once be convinced, that a mind which embraces objects of the nature and magnitude of those under consideration, can be governed only by the liberal motive of conscientious and paramount duty.

LETTERS,

&c. &c.

April 29, 1812.

DEAR SIR,

I HAVE the pleasure to return the “Remarks on the Observations of the Chairman and Deputy Chairman of the East India Company, on the Evidence given before the Committee of the House of Commons, appointed for the Consideration of India Affairs, on the Subject of the Private Trade,” which you, yesterday, obligingly lent to me.

These “Remarks” appear to be ably and candidly drawn up ; and are, I make no doubt, generally speaking, very full for the occasion : but the “Observations” to which they apply I have not seen. They may, however, whether written before or after, be considered, I think, in a great measure, a refutation of many of the arguments, if many of them can be so called, contained in the Letter of the Chairman and Deputy Chairman of the 18th of January, 1809. And if they do not extend to what must be the consequence of the extension of the private trade—OVERWHELMING competition—they at least contend for the principle of free and unshackled trade.

But these “Remarks,” as I have

before hinted, I am sorry to observe, do not look fully, if at all, into that situation of danger to a numerous class of industrious and enterprizing merchants, which must inevitably be ruined by the EXISTENCE of the present chartered company, IF THE COMPANY CONTINUE TO POSSESS RESOURCES SO ENTIRELY INDEPENDENT OF ALL COMMERCIAL RELATION.

These “Remarks” do not look forward to what all men, intimately acquainted with the subject, must know will be the inevitable consequence of such a competition—that, however benefitted the general interests undoubtedly might be by the extension of this commerce, it is impossible individual merchants can stand a competition with

a commercial company no longer retaining one single feature of their original character—whose existence no longer depends upon trade—whose vast political situation, supported as they are by repeated and almost unrestricted public loans, renders them insensible and careless of commercial results—whose every trade, except that of China, whatever they may assert to the contrary, has, for years, been a constant and heavy loss to them ; and, consequently, to the nation—whose system, in fact, now is, whose policy, indeed, it is become, to continue this losing trade at all events—knowing well, that so soon as their true interests in this commerce, which interests are inseparable from the public interests, shall be discovered, then must be, at least ought to be, the termination of **EVERY** exclusive

right as a Company ; and perhaps of their political character likewise.

Indeed, were not declaration superfluous when the policy is so obvious, have we not been told in a full Court of Proprietors by one of the Directors themselves, the present Deputy Chairman, did he not candidly threaten that, in the event of the trade being thrown open, the Company should ruin every competitor? “ Let them trade,” says he, “ let them trade ; we will soon give them enough of that : we will soon ruin every man of them.”

In short, Sir, of whatever magnitude to the best interests of this great commercial country I know a liberal understanding of this important question

to be, I am convinced that any extension of the trade, with the co-existence of the East India Company ; or, in other words, of their spurious commerce, supported by means, in a commercial sense, so illegitimate, must be ruinous to every industrious merchant who shall embark in it ;—however desirous this deserving class of men, from ignorance, may be to be admitted to a participation of it.

What a loss has the nation sustained in the death of Sir John Anstruther, in the discussion and arrangement of this great question ! He understood the best interests of this important question well :—and yet his mind even, had not reached that point, at least was not made up to that point which, I in-

sist upon it, can alone comprehend the full measure of advantage this great commercial country is, some day, to derive from her Eastern commerce. Had he lived to this time even, such is the progress of knowledge, when founded on a just principle, he would still more clearly have seen the true interests of this great question, and would have been more decided upon it. But, deprived as the country is of his great assistance, I plainly foresee that ministers who have the arranging of the terms of a new charter, will soon have to lament the errors their want of intelligence led them into ; they will find out, when too late, that they have compromised the best interests of their country in the renewal of a charter, for which no just claim existed.

Permit me to trouble you further, Sir, in noticing that the “Remarks,” however complete, no doubt, for the occasion they were distinctly intended to answer, do not pretend to that higher and more manly character, which would question that policy which allows to a **RULING POWER** the right of being a **MERCHANT** also! nay, a **MANUFACTURER** even, within its own dominions! under its own **GOVERNMENT**! That policy which places in the strong hand of a **POWER**, governing vast **TERRITORIAL POSSESSIONS** the **MONOPOLY** of extensive manufactures!!!

These “Remarks,” I say, do not comprehend any considerations on the inconsistency—on the incompatibility—on the probable injustice, of a vast

and aggrandizing power, ruling with despotic sway, a population extending over a space, equal, perhaps, to nearly one quarter of the habitable globe, continuing to exercise the sordid functions of a merchant and a manufacturer !

The prescribed limits of these “Remarks,” indeed, did not admit of the notice of these important points: much less, of animadversion on the obvious impolicy—on the probable injustice and oppression unavoidable, when the **RULING POWER** condescends to enter into speculations, of the nature alluded to, with its meanest subjects, who have been bred in despotism; and whom every care of our better laws even, cannot often encourage to resist oppressions committed by the native servants of

that Ruling Power employed in its commercial concerns.*

Nor do these “Remarks” contain any observations on the great political consequence that so vast a political power should not be commercial also. On the enhanced respect and authority it would derive, as well from its own subjects as from neighbouring states, were it merely political. That no peo-

* Clothed thus, in a manner, in imperial authority, the Commercial Chief, as he is termed, is lawfully permitted to engage, on his private account, in the trade or manufacture of the products of his commercial district. A situation, obviously, holding out temptation highly improper, in a political as well as a commercial sense:—in a political sense, because so tempting of abuse and oppression—in a commercial sense, because injurious to fair commerce, which cannot contend with advantages so extraneous and superior.

ple on earth, possess a nicer discrimination on points of this nature, than the people of the East.

To whatever unreasonable length, I must confess, this letter has run, there is yet a point I must beg to be heard upon. I mean the probability of colonization in India, in the event of the trade being thrown open as STATED to' be apprehended by the Chairman and Deputy Chairman, in their letter, on the 18th of January, 1809.

In this letter, which I have read over and over again, although, I confess, not with that degree of enthusiastic admiration I know some profess, but, on the contrary, with great disappointment, as being, in my humble opinion, far more

specious than argumentative, colonization in India is, with considerable address, strongly insisted on as an inevitable consequence of the extension of trade to India.

The writers of this letter surely are not ignorant—they cannot, indeed, be allowed that excuse—of the nature of the tenure of our Indian territories; and not having the excuse of ignorance, I would ask them how it was possible they can SINCERELY infer this consequence from the trade to India being thrown open? I would ask yourself, Sir, what would be your ideas “on the danger of colonization in India,” when informed that no European can settle in the country without permission of the government? That, in Bengal, at least, and, if not

already existing, the same regulations can be equally well established in every part of the British possessions, no European can, but at the peril of being sent out of the country, exceed the distance of ten miles from the presidency without the permission of government? That the government can send any European, residing even within prescribed limits, out of the country, without even assigning a cause? That the servants of the company presiding in the provinces are obliged to make annual returns, or oftener, of all Europeans residing in their respective districts? But above all, that, by the existing laws of the company, no European can purchase even one acre of land without the permission, indeed without the title of government? That

all possession without such title is illegal? That, consequently, were the acquirements of landed property, to any extent, attempted by Europeans, it must be through the medium and in the name of a native—entirely at his mercy—who has only to inform, or assert his title, to become possessor in reality?

After this representation of facts, Sir, your apprehensions for the loss of British India by colonization, are not quite so strong, perhaps, as they were when you read the IMPOSING paragraphs alluded to.

In fine, Sir, had not these gentlemen either been grossly ignorant of British polity in India, or unduly influenced,

the terror of colonization could not have seized so forcibly on their imaginations. Without taking into the account the almost insurmountable difficulty arising from severity of climate to the European constitution, they would have known from the circumstances above mentioned ; they would have been convinced from local reflection, (without which opportunity I deny the possibility of forming adequate opinions,) I deny it even to the great Mr. Pitt, or the late Lord Melville, (whose erroneous opinions are the creed and standard of many,) that the loss of British India by colonization can never occur. On the contrary, they would have known, at least would have inferred from the best reasoning on the case, that colonization, were it

practicable under existing circumstances, would, in all probability, be the means of securing to us empire in India for a longer period than, in the nature of things, it can be expected we shall retain it upon the present system.

What is our tenure? let me ask these gentlemen, of this vast empire, the population of which, from invincible prejudices, it is **UTTERLY** impossible to assimilate; much less to sincerely and cordially attach. Is it physical, or is it, in fact, little more than imaginary? The force of strong impression on opinion, rapidly declining. Will any one of experience and reflection deny, that had the scene which recently occurred at Madras, occurred at Bengal instead of Madras, India would have been lost

to this country? Will any one in Bengal at the time of the memorable affair of Vizier Alli, and who possessed the best opportunity of knowing the general feeling of the natives on that momentous occasion, deny the most serious apprehensions of universal revolt, without the possibility of resistance?

Disclaiming, as I do, all political connexion, I will not hesitate individually to accord my grateful obligations to the able and energetic character which, soon after this awful crisis, succeeded to the government-general of India, and restored, if not improved, former confidence.*

I am, &c. &c.

* Marquis Wellesley.

May 7, 1812.

DEAR SIR,

I AM much obliged by the favourable opinions you are pleased to express on my hasty letter of the 29th of last month, and not less flattered by the wish you express of knowing my sentiments on that paragraph in particular of Messrs. Parry and Grant's letter of the 18th of January, 1809, to Mr. Dundas, regarding the dangerous consequences therein stated to be apprehended to the exclusive trade of the East India Company to China, as well as to the public revenue, from the trade to India being thrown open.

Reference to the Letter in question containing the paragraph alluded to, was scarcely necessary to a recollection of what I had so often read with a feeling, whatever my sentiments of it in other respects may be, peculiar to the merit of ingenuity. I have, however, since the receipt of your note, still more attentively examined the arguments of this paragraph: and must confess my entire concurrence with Messrs. Parry and Grant in the opinion, that the Company's exclusive trade to China, as well as the public revenue, would be very seriously endangered by the measure in contemplation.

It must be obvious that the Company's monopoly, in spite of every precaution, would be greatly injured by

the interference of private merchants—that the irresistible stimulus of gain, particularly when smarting under the injury of exclusion so unnatural, as they might conceive, would induce, perhaps, the most regular, under temptations so alluring, to infringe a line of demarcation so easy to pass as prescribed longitudes and latitudes on the wide ocean. And if persons of more temperate character do not so far exceed what they may deem bounds of unnatural restriction, as to go immediately to China, but content themselves with receiving teas at appointed places of rendezvous, as very justly apprehended by Messrs. Parry and Grant, (from, perhaps, ships of our own ports in India, which enjoy the privilege of a free trade with China). Instances, undoubtedly, will frequently

occur, of men of greater spirit and enterprize, for you can scarcely term it less principle, who, supported as they will be by **PUBLIC OPINION**, will endeavour to elude, if not openly to **DISDAIN**, a restriction so injurious and oppressive as the Empire at large will soon perceive this to be.

Whatever punishment the law, in such case to be provided, shall inflict on those it may detect, be assured, no obloquy will attach to the breach of it; on the contrary, it will be regarded by the **PUBLIC** as a **PUBLIC OPPRESSION**; and the attempt to elude the law, as an honest endeavour, only, to obtain that justice of which themselves have been most shamefully deprived.

The more enlightened statesman, even, will find out, when too late, that he had lent his voice to compromise the best interests of his country, by the renewal of a monopoly for which there was not even the shadow of a claim—that, whatever pretensions the Company may assert to certain monopolies, within the territories they govern with despotic sway, they can have no such pretensions to the China trade—that, in respect of China, their interests are simply those of a private merchant; of the same nature, precisely, as the interests of any other nation trading to China—that, in justice to his constituents, and the empire at large, this trade ought to have been placed upon that footing which would have insured to

them the cheapest mean of importation ; consequently reduced cost to the consumer ; and consequently increased consumption, and increased revenue—a mean of importation which would have offered, to all ranks of people, tea, now become almost a necessary of life, at a greatly reduced price ; with, at the same time, perfect security both to the trade and the revenue.

The empire at large can no more comprehend than you and I can, Sir, the extraordinary consequences Messrs. Parry and Grant apprehend, or state to apprehend, from a general trade to China. They cannot comprehend the reasons why ships, importing in a regular way from India or China, can more

easily elude custom-house duties, than ships importing from the West Indies. Or can the empire at large, or those of the best local knowledge, even, contemplate such scenes abroad as Messrs. Parry and Grant ingeniously pourtray. They cannot, indeed, be persuaded, that merchants, who excel in reputation the same class of men of every other nation in the UNIVERSE, shall become PIRATES and BUCANIERs, if LAWFULLY permitted to participate in a trade, however distant that trade may be. They see no ground why, in their ingenuity, Messrs. Parry and Grant should have degraded the individual merchant of London, Bristol, Liverpool, Glasgow, &c. &c. &c., below the level of Americans, Dutch, Danish, Portuguese, Swedish, French, or Lead-

enhall-street merchants ; except the ground of SELF-INTEREST.

The picture, it must be confessed, is most ably drawn, and in colouring is a masterpiece. The alarming situation of the " NATIONAL FACTORY," as it is, obviously for the purpose of exciting a national feeling, artfully termed, from supposed acts of delinquency committed by individual British merchants, is admirably delineated. You think, Sir, you see this sumptuous " national factory" in flames ! expiating the atrocities committed by the unprincipled merchants of London, Bristol, Liverpool, Glasgow, &c. &c. &c., and such of its inhabitants as have escaped the dreadful conflagration, driven without remorse by an injured and infuriated

people into the sad alternative of a watery grave, the SEA !

The anticipated fall of the Company's " NOBLE FLEET OF SHIPS" is also bewailed in a style not much less masterly. Yet really, if the country have reason to conclude that her China trade can be equally well conducted by individual merchants, controlled by a consular power of not a twentieth, nay, an hundredth part the expense of the present enormously expensive establishment of the Company—that the individual merchants of the empire, generally, are not of that degraded character Messrs. Parry and Grant esteem them to be, and that they will be able to supply us with teas at a much cheaper rate, and with much greater benefit, to

the revenue at the same time, than the Company do, we confess our most sanguine hope, indeed belief, in whatever degree the consequence might militate with the sweets of the patronage of the directors, that the **PUBLIC FEELING** would not be in perfect unison with that of these pathetic writers.

We are hardy enough, indeed, to venture the opinion, that the **PUBLIC** would condescend to adopt any efficient establishment, however reduced in ostentation, however moderate in expense, which would combine objects so important as the increase of trade, increase of revenue, and greater benefits generally, if carried on with vessels which, perhaps, cannot boast the noble structure of the Company's lamented "**NOBLE FLEET OF SHIPS.**"

Although we cannot seriously condole with Messrs. Parry and Grant in a private loss which would be a public good, we are, nevertheless, desirous of offering all the consolation in our power on this tender subject of the Company's ships, and in this feeling, as well as in a sense of our duty to the PUBLIC, we suggest the measure of government purchasing the China ships, for ships of war, as many of them as shall be thought fit and tendered at a fair valuation. This measure, although we cannot admit it to be one of public necessity towards the Company, would tend to relieve the ship owners; and it would, at the same time, greatly relieve the stock of large timber used in the building of ships of war; both immediately and in continuance; for pri-

vate merchants would not use ships of the same large dimensions, in their China trade, the Company do. We wish we could with the same facility offer relief to the captains and mates at present employed in the Company's service ; but we fear the public would merely observe, " that these captains and mates perfectly well knew, when they entered the service, the nature of the Company's tenure. That, no private considerations, they must be aware, can be put in competition with the public good ; and, that it is but reasonable they should take their chance with others who, at the expiration of the chartered monopoly, shall embark in the same line."

Although not immediately connected

with the main object of this letter, I will, to return to the first person, avail myself of this opportunity to notice an observation I have repeatedly heard, "that the Company's ships are indispensably necessary for the transporting of troops to India, and occasionally, from one settlement to another in India."

I trust, Sir, you will pay no attention to observations so absurd and unfounded as this is. Be assured, when the trade shall be thrown open, tonnage to any amount, for this and every description of public service, will at all times, both in this country and in India, be ready for you at a much cheaper rate than the Company can afford to supply it. I beg your pardon; my

letter has extended to a length I did not expect, and, perhaps, not warranted by your note ; but I trust the importance of the subject will be my excuse.

With your permission, I will, at some future opportunity, offer to you my opinions on the best policy, as I humbly conceive, for the future government of British India.

I remain, Dear Sir,

Your most obedient,

and very humble servant.

March 12, 1813.

DEAR SIR,

I AM glad the occasion of introducing — to you yesterday, led to the discussion of the subjects of my letters of the 29th of April, and 7th of May, 1812 ; and I was pleased by the concurrence of your opinion, in the main, in my views on the question of the trade to India. For my own part, so strong is my conviction on the whole question of our Indian polity, and its connexion, China, that, however, I must regret singularity, perhaps, in the society to which, it may be said, I more particularly belong, I cannot relinquish the policy glanced at in the two above-

mentioned letters, as the maximum to which, to derive ADEQUATE advantages ; our Eastern system must, sooner or later, arrive.

Much has been asserted by the Directors and the advocates of the East India Company generally, as to the limited extent of our commerce with India, as well as the impossibility of much increase, were the trade thrown open. Reference, however, to the customs at the port of London and the ports in India, for some years past, would, perhaps, more exactly and more convincingly, show the actual state of our trade with India, as well as the share America has so ILLICITLY participated of it, (and which, it is to be hoped, will in future be greatly re-

stricted,) than all the speeches at the India House, or all the pamphlets that have been published upon the subject.

This reference, I apprehend, would expose a commerce even now existing, labouring as it does under unparalleled disadvantages, of very great national importance, were individuals admitted FAIRLY into it. And proofs cannot now be wanting to convince the impartial and intelligent that, were the trade FAIRLY open to them, individuals would be able to carry it on at a rate of expense, comparatively, so reduced, it must, as a natural consequence, greatly increase.

Believe me, my friend, how brilliant soever the success of our arms, or flou-

rishing, we will say, the revenue of our territories abroad, these circumstances, in themselves, in a national point of view, are comparatively of little or no importance. The great and solid advantages a commercial country looks to from her territorial dependencies is COMMERCE ! free and unshackled COMMERCE ! entirely unconnected with, uninfluenced by, the adventitious, overweighing circumstances of POLITICAL WEALTH AND POWER in its COMMERCIAL CHARACTER. Pending the existence of his heterogeneous character, can it be said there either has been, or can be, FAIR admission to, FAIR experiment of, the commercial resources of the East !

Of what value, comparatively, to

the great interests of this empire is the boast of surplus revenue to the East India Company in India? Of what value, comparatively, to the great interests of this empire would it be to be told, even, that the East India Company had paid off the whole of their debt? That, in future, indeed, there was every prospect, nay, certainty, of their paying the last stipulated sum of £500,000 annually into the exchequer; or, of a MILLION, even, SUBSISTING the paralyzed condition of the natural resources of a great commercial state, whose STRENGTH is not in SUBSIDY, were it even of far greater amount than can possibly be derived from a system formed of principles, in their nature so opposite as that of the East India Company; but in COMMERCE! the

genuine and natural source of the political strength of this wonderful empire! whose true interests, if you blindly barter for ~~ANY~~ narrow stipend, or any limited policy, you stab in the most vital part.

You are not to be informed that gold, in this ~~SENSE~~, is not riches—that gold is not the true riches of any STATE, perhaps—that all the gold of Mexico and Peru, were it even a thousand, nay, ten thousand times more than it is, would be no compensation—no equivalent—for the loss of commerce to a great maritime state such as we proudly boast! that our eminence among the nations of Europe—IN THE WORLD! depends solely on the EXTENT of our COMMERCE!

You are not one of those — whom I, at this time, see gulled by the arrival from Bengal of £350,000 in specie, in part of £900,000, or a million EXPECTED! who think this mode of remittance the index of wealth, and the acmé of mercantile speculation! You must be well aware that, in all cases, remittance in specie is, of all other, the least favorable to a commercial country. That, in its nature, it is hostile to every principle of commerce; and that it can be justified only where there is no alternative—no other medium. You must be aware that, were the trade FAIRLY laid open to individuals, remittance to any amount that could be required by the governments abroad, would, at all times, be obtainable through the commercial speculations

of individuals, with the best possible collateral security of consignments, and on far more advantageous terms than the Company have, for many years, remitted; by which the baneful consequences of remitting in specie, or bullion, from a country where specie is the sole circulating medium, and the scarcity of it generally such as to render 12 per cent. the legal interest, would be avoided; the circulating medium become more abundant; the rate of interest regularly lower; and every commercial speculation, consequently, carried on with, comparatively, infinite advantage, and to an extent not within the contemplation, or comprehension, perhaps, of the best informed, or the most sanguine admirers of FAIR COMMERCE.

That gold is not, in itself, riches to a state, but the contrary, when so woefully misapplied, you will readily agree with me. That the specie currency of a state should be considered merely as a symbol of value ; and never, if possibly to be avoided, to be used as a principal and unconnected, there cannot be a more convincing proof, than in the instance of the miserably ruinous misapplication of the little surplus cash in the Bengal Treasury, in the remittances in question ; which, from a state of affluence in the circulating medium, with the interest on government securities at 6 per cent., and in mercantile transactions at 8 per cent. or lower, is, by this unnatural convulsion, at once, in the former case, raised to ten, and in the latter to twelve per cent. ;

that is, the 6 per cent. government securities were at 4 per cent. discount ; this, it is true, is not 10 per cent. on government securities, except for the first year ; but this difference is of little consideration—of no consideration at all, indeed—the consideration being the current interest on the circulating medium as affecting commercial speculations.

In this country we complain bitterly that gold has disappeared ; and that we have no other than paper currency. Balance of trade out of the question, and it were possible to establish the same credit abroad we happily possess at home, I should wish for the very condition in India we complain of in this country—a paper currency—abun-

dant and extensive—reducing public and private rates of interest—a currency not subject to the UNSTATESMANLIKE application of specie currency, and its ruinous effects on commerce, AND, CONSEQUENTLY, on general prosperity.

It is almost painful to hear some persons, who arrogate to themselves precedence in the science of Eastern economy, speak on the subject of the extension of our commerce with India. These gentlemen affect to ridicule the possibility of any extension of our trade to India, on the ground that “the prejudices of the natives, and their limited wants are insurmountable obstacles to extension.”

That prejudice insurmountable ope-

rates with the natives of India against the use of some of our articles, articles of food, and that the climate operates against others also, all must allow. But to establish the above hypothesis, these gentlemen must first establish more extensive, indeed, general distaste to European articles, which I challenge the ~~proof~~ of, and which, upon experience exceeded by NONE, I positively deny.

The mind, to possess perfect use of its genuine powers, must be free. If not free, however liberal in general, it, imperceptibly perhaps to itself, shuns, if not entirely shuts out, reflections unpalatable, and contravening a particular and more selfish, or more favourite view.

You, of course, do not expect fair and unbiassed opinion on the renewal of the East India Company's charter from the Directors of that Company, who, whosoever loses, must be gainers. You might as well, *si magna componere, &c.*, expect Spencer to tell you he was offering an unsound horse to sale; or Twining that his tea was mixed. It is, indeed, more than you have a right to expect from the known frailty of human nature. It will be much, indeed, if you be not often disappointed in your researches among those who are under no such powerful influence as may reasonably be allowed to the directors; whose attachment merely to the service, (a sort of gratitude, although on an enlarged consideration bordering on weakness, in

itself certainly amiable,) blindly induces them to consider the establishing the East India Company on its present plan, and conducing thereto, by all the means in their power, as a paramount duty. In this, highly as I respect ancient establishments, generally, I must differ from them.

Assuming then, which I shall take leave to do, that the natives have on distaste, but the contrary, to very many of our European articles, and that the want of the means of attainment, merely, is the only obstacle to a gradual and progressive use of them, I will proceed in further consideration of this most important point of this most important question.

Providence has, for the wisest purposes, ordained, that those who are born in indigence are generally satisfied, if not contented, with their lot—But independence is the parent of comfort as affluence is the parent of luxury.— Unless therefore these economists can establish that human nature is not always the same, or nearly so, and that the variety we experience does not entirely depend upon government, I cannot admit their hypothesis that “the prejudices of the natives of India, and their limited wants, are insurmountable obstacles to the extension of our trade to India.”

Legislate wisely—Do away all state monopolies in your provinces abroad—Relinquish a trade by which millions

have been lost—Pay your debts by the saving — Protect individual property more effectually—Adopt a system which unquestionably will tend to create wealth and happiness throughout your provinces, by the bounty of nature, fertile perhaps beyond comparison, yet, from circumstances comparatively poor.

Adopt a system which will, as a natural consequence, reduce the rate of interest now legally 12 per cent., and, although illegal, very commonly, 24, and, oftentimes, 36 per cent. : adopt a system, which, instead of a government bastardly and unnatural, INSISTS on a government of a distinct and more manly character, suited to one of the greatest empires in the world : of a

character whose best interests will be best consulted in the success and welfare of the subject at home and abroad, and not, in its principle, depressive and destructive of general commerce.

Adopt a system which, in its nature, has the tendency, at least, to increase and establish **MUTUAL** wants—to establish a reciprocity which, **IN ANY EVENT**, and the event must come, which would insure to us the chance of enjoying, in part, at least, the only valuable consideration, a great maritime and commercial state has in distant states, whether colonial or friendly—**COMMERCE!**

The system glanced at in my Letters of the 29th of April and 7th of May, is that of perfect commercial freedom—

the abolition of every internal state—monopoly, as well as the chartered monopoly of the Company.

The view I take, many, perhaps, will think vast and comprehensive, and dangerous in experiment. Any measures short of the plan I contemplate, be assured, must be fraught with disappointment, if not with ruinous consequences ; for disappointment, the inevitable consequence of an half measure, will be ascribed to the impracticability of innovation, when a charter to the East India Company on the strictest principle of monopoly will be renewed, and the great opportunity of commercial advantage lost to us for ever: for it is not in the nature of things to be stationary, and if you omit to

improve progressive inclination, retrograde must be the consequence. The lapse of a very few days will now decide this important question: and irrevocably determine the fate of millions for a term, of which, in all human probability, neither you nor myself shall see the end.

I propose no innovation which can have the effect of weakening our Indian polity: on the contrary, the system I aim at would greatly strengthen it. By separating mean commercial interests from high political consequence, I improve the one and exalt the other. By separating the commercial interest from the political, I convert, as an inevitable consequence, the limited and losing trade of the Company into a commerce of great

extent and benefit to the general interests. But, a consideration the benevolent Mr. Wilberforce would esteem above all, by separating the commercial interests from the political, I relieve the humble native Indian from a state of oppression, which, let them say what they please of late amelioration and better regulation, both you and myself know to be inevitable, and inseparable from the commercial speculations of the Company, SO LONG AS THEY RETAIN THEIR POLITICAL CHARACTER LIKEWISE.

How then, my friend, can you, who, I am sure, are, equally with myself, attached to the natives, entertain the opinion, or rather, not be determined to the contrary, that the Company

should retain the internal monopolies of opium, salt, and saltpetre. These very subjects, together with their manufactures of cloths, were the origin of my serious reflections on the nature of our governments abroad ; on the evils inseparable from a power at the same time political and commercial ; especially in India ; and of my determination that, at the very first opportunity, they should be discontinued.

Do as you please in other matters of the charter, but in this you have no option ; at least in justice !

Barter away the rights and interests of your fellow subjects in this country if you please, but let it not be said that, at this day, you coolly LEGISLATE a

system in its nature undeniably oppressive! At the India House they speak feelingly enough of the numbers in this country who, in certain events, they imagine would be sufferers; but are perfectly unmindful of the condition of the almost, in the sense alluded to, helpless Indians, although some at least there are of these gentlemen who must, or ought to know, are unavoidably oppressed by their commerce abroad.

You seem to justify the Company's monopoly of salt, upon the precedent of the same thing existing in some of the states of Europe: but, on second thoughts you will, I am sure, as soon as any man, agree with me that precedent should have no operation when we are convinced of abuse; you must

be aware, few more so, perhaps, that this monopoly is, in every stage of it, oppressive—oppressive in the manufacture—oppressive in the high price at which it is sold. Without referring you seven years back, to the period when I was in India, ask — —, who is a few months only returned from India, his opinion of the effects of this monopoly. He will tell you what I have often had cause to lament, that, at the time he left Calcutta, the price of salt was so high, a man, the father of a family of five or six children, could not afford the use of this, to his insipid food, not only palatable, but salutary ingredient.

You were of opinion, likewise, that it would be wise to continue the monopoly of saltpetre to the Company, for

the reason, that the smuggling of it into the enemy's ports would thereby be more effectually prevented. This idea, and the frightful idea of the enemy being supplied with it at all—in any manner—is the argument used by Messrs. Parry and Grant in their letter of the 18th of January, 1809. And on the first blush it certainly is very imposing: but that it shall be well founded depends upon circumstances, I humbly conceive.

If, as I yesterday said, it be ascertained that the terms, the rate of expense, on which the French are at present supplied with saltpetre be such, so costly, that the difference would be an object to them in a financial point of view, then it would, I grant you, be

highly impolitic in us to supply it : for it would be the same thing, in effect, as to subscribe so much as the difference to their war expenses. But if the difference of cost would not amount to this consideration, and that facility, perhaps, would be the only or greatest advantage, I would, knowing (as all Europe from direful experience does know) that they are already **ABUNDANTLY** supplied, be the first, however frightful it may appear, to supply this ingredient of warfare. I would **LAWFULLY** permit it to be exported to France equally the same as any other article of commerce ; nay, gunpowder itself, even, if no better argument obtain against it than I suspect exists against saltpetre, and with the enhanced advantage of a second and home-manufacture.

But there is no end to this important and interesting question.

As I have no part in the legislature, I can only pray for the best, and hope you will excuse this very long letter, in addition to those you have already been troubled with, and that you will believe me to be,

Yours, very sincerely.

April 8, 1813.

DEAR SIR,

I AM aware that I have termed the blind attachment so generally shewn to the establishment of the East India Company, under its present form, by persons who have been in their service, an amiable weakness—a weakness, I confess, not to be defended on the more rigid principles of political economy, which acknowledge none of the finer feelings—none of the more refined ornaments of our nature—yet a weakness, I assert, which has its basis in a beautiful virtue! in lovely gratitude!—a virtue which, not unfrequently, invincibly hides from our view the frailties

and imperfections of the object of our admiration. Indeed, otherwise, how are we to reconcile opinions which, without exception almost, have ever prevailed in this enlightened and highly respectable class of men, and still continue to prevail, in support of a system which, to minds free from prejudice, it must be obvious, is no longer necessary—is unsupported by reason—is greatly injurious in its consequences—is utterly condemned by many of its practices.

Were it within possibility, that each Proprietor of India Stock, (for you are always distinctly to bear in mind, that these Proprietors are the Company—the only description of persons legitimately to be acknowledged—to be

thought of, even,) might become a Director! or expect to share some portion of the extensive patronage of a Director! then, indeed, the attachment might be ascribed to individual interest. Or were it the case, that the prosperous condition of this commercial Company yielded a better dividend, with the prospect of still 'improving, than government securities afford: and that the security, at the same time, were as good; we might naturally expect the ardent attachment we observe to pervade this society of merchants. But the contrary of this being the fact, that, although merchants, they are not, it appears, if prosperous, to derive the advantages natural to, and corresponding with, the true principles of commercial prosperity—that, although they hitherto

have, by means adventitious and unnatural to commerce, made good a dividend equal to the one intended were they in a state of the greatest prosperity, perhaps, they are deeply involved in debt—that it is impossible to foretell what might be the sense of the nation on their affairs, if, on a thorough investigation of the causes of their immense debt, it shall be found that a considerable portion of it has been incurred by improvident commercial speculations, to the injurious exclusion, at the same time, of a commerce that would have been highly beneficial to the empire at large. I say, under all these circumstances, it is impossible to ascribe this attachment, generally speaking, to any other cause than early prejudice, a sort of esprit du corps, watchfully, and very

naturally too, kept alive by the few who really have a great stake in the existence of a system so much at variance with the genuine and fundamental interests of this great commercial empire; and which, to be entirely exploded, requires only to be fully and generally understood.

It will not have escaped your observation, that, in the testimony of these respectable men, (for respectable, and highly so, I know them to be,) before the Committees of the two Houses of Parliament, one of the reasons assigned for the limited use of European articles by the natives of India, **OUR SUBJECTS**, and which, it is alleged, will continue to operate against any degree of extension,

is “the poverty of the mass of the people.”

Now really, Sir, although this condition of the mass of the people, OUR OWN SUBJECTS, is what, in the preceding Letters, I had in view, as, of all others, the most fatal bar to the greatest benefits a commercial state can derive from her foreign dependencies—the extensive use of such of our manufactured articles as may not be objected to, either from climate or religious observances—it is an argument, I candidly confess, I did not expect from persons who may, and with great fairness I humbly presume, being members of the body, be deemed advocates of the Company;—it is, in fact. a confession, however unwit-

tingly made, of some radical defect in our administration of a country, by nature rich beyond example perhaps, over which we have reigned with despotic sway for a series of years ; yet, extraordinary as it may appear, “ the mass of the people confessedly in a state of poverty.”

It is a confession for which I, as the warm, though weak, advocate of this people, have to express my obligations; as affording a favourable introduction to the ultimate view of these letters—**RADICAL REFORM OF EVILS WHICH DEEPLY AFFECT THE COMFORT AND HAPPINESS OF OUR FELLOW SUBJECTS ABROAD, THE NATIVES OF INDIA, AS WELL AS THE ONLY TRUE INTERESTS OF THIS GREAT EMPIRE—COMMERCE !**

It is a confession of which, I sincerely hope, use will be made, as the only and true key to the innermost arcana of, the only true source of inquiry into, the present management of our India affairs.

As a thinking man, Sir, this confession will naturally lead you to inquire into the causes why “the mass of the people of provinces,” by nature fertile beyond example, perhaps, should at this day—so long under the fostering protection of a BRITISH CONSTITUTION!—be found “in a state of poverty!”

Your reflections will irresistibly carry you back to the origin of the East India Company; whence you will naturally trace their progress to the present time. In the course of this pursuit you will

arrive at that page in their history, when, to their commercial, they added the political, character. Soon after, you will arrive at a period when their commercial character became SUBORDINATE to their political character: or, in other words, of SECONDARY consideration.—THIS IS THE PERIOD, and the consequences of it, to which I am most anxiously solicitous to attract your particular attention, and the attention of the whole legislature. But the investigation, I find, would be too long for the limits of a letter. It would lead into minute disquisition, better adapted to the contemplative researches of the grave historian; it would lead into the examination of a commerce no longer carried on on true commercial principles; consequently,

highly injurious to the general interests ;
—into inquiry on a political conduct in
the internal arrangements of our territorial
accessions, subversive of the main
objects of a great commercial state ;
yet, in a great measure, the consequence
of improvident commerce, and general
mismanagement.

I remain,

&c. &c.

THE END.

